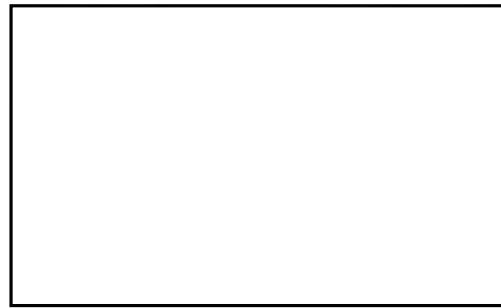


**On file OMB release instructions apply.**

STAT



62-5848/ta

L. B. AUG 1962

Honorable David E. Bell  
 Director  
 Bureau of the Budget  
 Washington 25, D. C.

Dear Mr. Bell:

Subsequent to my request of 2 August 1962 for advice on a draft of a bill "To amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes," representatives of the Agency met with appropriate staff people of the Bureau of the Budget to discuss this proposal. I am advised that this session was a thorough examination of the proposal with a full exchange of views and additional information was provided.

Certain suggestions and agreements were reached at that conference which are reflected in the letter from Mr. Phillip S. Hughes to me dated 13 August 1962. I have acted on the advice contained in that letter and submitted the proposed bill to the Congress on 14 August.

I want to express my sincere appreciation for the prompt action of the Bureau of the Budget and would like to express to you my thanks for the efforts of Robert Amory, Jr., Gerry E. Pettibone, William E. Cannon, Donald E. Smith, Irving J. Lewis, and David H. McFee. In particular, it should be noted that Mr. Amory was in a unique position in that he was able to draw on his wealth of experience in and knowledge of the Agency during the examination of our proposal. I think it was a commendable accomplishment for the Bureau of the Budget to provide our proposal a comprehensive review in so short a time and to furnish us with favorable advice.

Again, may I express my thanks to you and your staff.

Distribution:

O & I - Addressees

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- 1 - ER w/cy basic
- 1 - D/Pers
- 1 - Leg. Counsel w/background

Sincerely,

John A. McCone  
 Director

Executive Registry  
62-5848

EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
WASHINGTON 25, D.C.

AUG 13 1962

Honorable John A. McCone  
Director of Central Intelligence  
Central Intelligence Agency  
Washington 25, D. C.

Dear Mr. McCone:

This is in reply to your request of August 2, 1962, for advice on a draft of a bill "To amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes."

A change in the proposed Section 4 is recommended in order to define the provisions of the Foreign Service Act of 1946, as amended, to be extended to the authority of the Director of Central Intelligence. This change has been discussed with and agreed to by your staff.

In discussions with your staff, agreement has been reached that, subsequent to enactment of any legislation along the lines of your draft bill, agency regulations for the operation of the retirement and disability system and agency criteria for selection of officers and employees to be eligible for coverage under the system, will be submitted to the Bureau of the Budget for approval prior to activation of the system.

It was also agreed that, whenever the Administration seeks uniform legislation covering retirement and related provisions for personnel engaged in foreign operations, CIA will be included in such a comprehensive system.

Subject to the above, the Bureau of the Budget advises that there would be no objection to the presentation of your proposed draft bill from the standpoint of the Administration's program.

Sincerely yours,

*Philip S. Hughes*  
Philip S. Hughes  
Assistant Director for  
Legislative Reference

*Approved for release by the Bureau of Budget*

Executive Registry
102-5848

EXECUTIVE OFFICE OF THE PRESIDENT  
 BUREAU OF THE BUDGET  
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 Assistant Director for  
 Legislative Reference

*Bureau of  
 Budget*  
 (EXECUTIVE REGISTRY FILE Budget)

Executive Registry

62-5848/1a

19 AUG 1962

pmt

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11/22/1962  
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John A. McCone  
Director

Distribution: SU  
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OGC/LC:JSW:mks (15 Aug 62)

430112

Executive Registry  
62-5878

EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
WASHINGTON 25, D.C.

AUG 13 1962

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Philip S. Hughes  
Assistant Director for  
Legislative Reference

EXECUTIVE REGISTRY FILE *Bureau of Budget*

Executive Registry  
102-5848

EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
WASHINGTON 25, D.C.

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*Bureau of  
Budget*  
(  
EXECUTIVE REGISTRY FILE Budget)